

LGA Corporate Peer Challenge – Progress Review

Surrey Heath Borough Council

16 April 2024

Feedback



Corporate Peer Challenge



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1. Introduction

The council undertook an LGA (Local Government Association) Corporate Peer Challenge (CPC) during 11-13 July 2023 and promptly published the full report with an action plan.

The Progress Review is an integral part of the Corporate Peer Challenge process. Taking place approximately ten months after the CPC, it is designed to provide space for the council's senior leadership to:

- Receive feedback from peers on the early progress made by the council against the CPC recommendations and the council's RAG rated CPC Action Plan.
- Consider peer's reflections on any new opportunities or challenges that may have arisen since the peer team were 'on-site' including any further support needs.
- Discuss any early impact or learning from the progress made to date.

The LGA would like to thank Surrey Heath Borough Council for their commitment to sector-led improvement. This Progress Review was the next step in an ongoing, open, and close relationship that the council has with LGA sector support.

2. Summary of the approach

The Progress Review at Surrey Heath took place (onsite) on 16 April 2024.

The Progress Review focused on each of the recommendations under the following theme headings:

- **Governance** – risk management, democratic governance (R2)
- **Member development** (R5)
- **Finance** – finances including scenario planning for regeneration (R1) and procurement (R2)
- **Enhancing Scrutiny** – (R4)
- **Project management** – (R2)
- **Partner engagement** – (R3)
- **Equalities, Diversity, and Inclusion (EDI)** (R7)

- **Digital vision** (R9)
- **Climate change** (R6)
- **Enhancing Surrey Heath House** (R8)

For this Progress Review, the following members of the original CPC team were involved:

- Lead Officer Peer: **Daryl Phillips**, Chief Executive at Hart District Council
- Lead Member Peer: **Cllr Alistair Dewhirst**, Deputy Leader of Teignbridge District Council
- Officer Peer (Finance): **Clive Mason**, Director of Resources and Section 151 Officer, Harborough District Council
- Peer Challenge Manager: **Sophie Poole**, Senior Regional Advisor, LGA

3. Progress Review - Feedback

Out of the CPC's nine recommendations, the council's RAG rated action plan reports that out of the 19 actions in the council's action plan, 74 % (14) were blue and "complete", 21% (4) were green and "on track" and 5% (1) was amber and "underway".

Background

Surrey Heath has made progress against most of the recommendations made in July 2023, completing the majority of the actions in their action plan, with a small percentage requiring on-going work. When the peer team were originally on site, there had been a change of administration two months previously. The leader was elected as a councillor for the first time and then as leader of the council, three weeks before the corporate peer challenge. This means that the council has been in a transitional period politically over the last year. In addition, the majority of the senior officer team were appointed in the three years before the corporate peer challenge. The chief executive is leaving to join another authority in the summer, and one of the directors will step up as interim. The aim is to appoint a permanent chief executive at the end of the financial year.

R1: Develop a financially sustainable budget, including scenario planning for regeneration options.

The council agreed their Medium-Term Financial Strategy (MTFS) from 2023/4 to 2027/8 and their 2024/5 annual budget in February 2024 which includes £4.5m of efficiency savings with the intention of reducing the council's reliance on reserves by 30 per cent. It is understood that preparations are already underway to launch the council's next base budget review member meetings taking place between May and June which will be reported back to the executive in July.


The peer team also heard that the council has recently appointed a new deputy s151 finance officer and reorganised and recruited new roles in the finance team who have been focused on further strengthening financial management.

When the peer team were originally on site in July, the leader set out the administration's key priority to focus on the council's finances. As part of this, the administration have set up a shadow finance member group to look at finance information produced by the council which has created some tension and confusion around members and officers understanding each other's roles and responsibilities.

The peer team did hear concerns around the time it can take for the finance team to produce information. However, a new, fully resourced, and experienced finance team, led by the new deputy s151 finance officer is helping to build confidence and the feedback is positive. The deputy 151 is engaging well with the new administration and there is more capacity in the team to horizon scan the challenges particularly around contracts over the next four years.

While the council's new MTFS (the first for the new administration) was agreed by all members in the chamber, councillors that the peer team spoke to expressed concern about budget papers being dispatched much later than the agreed scheduled timing. While members continue to develop their understanding of the council's finances, the peer team would encourage members and officers to work together in achieving this.

The council also agreed a new council strategy and annual plan in February 2024 which is aligned with the MTFS, annual budget and capacity of the organisation. The strategy was developed collaboratively with the executive and the corporate management team to reflect the priorities of the new administration. This will include



a transformation plan to address any budget gap that will remain at the end of the MTFS period. The council has previously relied on reserves to plug any budget gap. This approach is not financially sustainable and there are difficult decisions ahead for the administration. The peer team heard that the draft transformation programme will look at delivering a range of projects to identify the necessary savings required including reviewing council assets, reducing agency costs, looking at opportunities for income generation including the car parking strategy, sharing services, optimising the use of digital and looking to deliver “solid silver” services. There are good examples of income generation to build on including the recent introduction of a preapplication advice and fast track service for planning.

The transformation plan is in the very early stages of development as the council agrees the design principles, proposed outcomes, and indicative savings targets. The peer team were told that the council is introducing a new business partner model to work collaboratively to support increased financial awareness and capacity across services. It is important that cross-departmental conversations take place to avoid cost shunting and double counting, and cashable and non-cashable savings are accurately reflected centrally.

It is understood that the council’s intention is to bring in additional programme management and allocate finance resource to support the transformation work and that a project board is being set up who will meet on a monthly basis to look at decisions being taken to executive for approval. However, transformation conversations across services should take place in a number of settings. The peer team also felt the transformation programme needs robust and clear governance arrangements so both members and officers have clarity around their respective roles and responsibilities.

The success of the transformation programme will also rely on buy in from all staff, members, and external stakeholders in understanding the key outcomes from making any transformational changes and being clear about governance. The peer team understands that the council is intending to upskill its wider council staff in financial management and procurement.

Similar to many local authorities across the country, the council has a backlog of external audits. The council published its draft 2020/21 accounts in February 2024

and there are plans to publish draft accounts for 2021/22 and 2022/23 before the government 'backstop' in September 2024. Preliminary work on the 2023/24 annual accounts is underway with their new audit partners (Grant Thornton). The intention is to have these published and audited before December 2024.

With regards to scenario planning for regeneration options, the peer team heard that the preparation of the MTFS and budget had been aligned with the regeneration programme planning as well as wider economic factors. The former House of Fraser property originally purchased for £19m, is currently valued at £3m balanced against £3m to remove asbestos and repair the roof. Once the asbestos has been removed there is an opportunity to reassess the value dependent on the market landscape. Camberley town centre was described as a property 'puzzle' with net zero ambitions connected. The peer team heard that footfall in Camberley town centre has dropped due to retail and leisure competitors in the area. This has also impacted on rents and service charges although vacancy rates in the Square Shopping Centre continue to compare well with surrounding areas. Progress with the longer-term plan and vision for the town centre's growth and improvement, is reported monthly to the Property and Regeneration working group. The other major site is London Road which again presents a number of challenges in terms of not all being council owned. The site is not currently on the market. As a result, the council has reprofiled its capital requirement for a more realistic regeneration programme which will be looked at as one of the transformation projects within the transformation programme.

R2: Complete a review of governance and develop an action plan encompassing risk management, project management and procurement.

The council has conducted a review of its governance, focusing on risk management, project management, procurement, and democratic governance. The peer team understand that a governance working group regularly meets with officers to review the constitution and recommend improvements. The council's annual governance statement was considered by members in October 2023 and signed off in December 2023.

Risk management

Risk management has been strengthened since the peer team were on site in July. Risk management is now allocated as a specific responsibility of the newly named

Audit, Standards and Risk Committee which reviews risk updates every six months. The peer team heard that this has prompted more interest with members asking more questions. The frequency of risk being reported to the corporate management team has also increased from once a year to once a quarter. The peer team were informed that the development of a service risk register is on track. A project risk register (part of the council's new project management toolkit) has also been developed. These both sit under the council's risk management strategy. The council has also created a section so that every report that goes to its executive considers risk management as part of any decision being made and the MTFs includes a section on risk management. The council's aim is to embed a culture of risk management in the organisation. However, members and officers are yet to receive risk management training although work to develop training is in progress. While it is good to see that the council has raised the priority of risk within the organisation, it is important to implement the training as part of this financial year's learning and development programme for both officers and members, to ensure a culture of managing risk is understood across the council.

Project management

The council has strengthened its project management methodology by launching new project management principles, a toolkit, governance and reporting in March. This included a briefing session for the wider group of managers. Some staff have already completed project management training via the Surrey Learn Partnership. It is understood that the council is identifying a provider to train relevant staff across the council in the principles and toolkits and enhance project management skills. So there is consistency, the peer team would suggest raising awareness about the new approach to project management to all staff across the council appropriate to their level within the organisation. The new transformation programme includes the organisation's priority projects all of which will involve services and staff across the council in some shape or form. Increasing awareness so that staff understand the bigger picture - why the council needs to transform and how the council's new project management approach will deliver this, will help to gain buy in from staff and create momentum to deliver change at pace.

Procurement

The council has reviewed its approach to procurement. The new finance structure includes a new contract and procurement manager as well as procurement officer posts which have been recruited to. An internal audit of procurement has taken place and recommendations will inform the work programme for the new procurement team. The new procurement team will deliver training and guidance as part of this new function, and help the council prepare for the new Procurement Bill that will come into effect in the autumn. The council is also attending sessions being delivered by Surrey County Council to increase understanding about the Bill. The peer team recommends the National Procurement Strategy for Local Government which provides good practice advice around developing a procurement strategy and contracts register, to ensure the council is achieving value for money.

Democratic governance

The peer team heard that the council has had a governance 'tidy up' creating a governance task and finish group to review its governance arrangements. Changes have been made to the council's constitution which have been agreed at council. This has resulted in the introduction of public questions at committees as well as introducing residents' panels and increasing access to petitions. Members of the public are taking up the opportunity to engage with the council and ask questions. There have been some minor teething problems, such as individuals asking a large number of follow-up questions and questions being directed at officers which are more appropriate for the administration to respond to. It is important a strong chair is able to manage resident engagement so that questions are succinct and directed to the best placed person to answer them. Questions are now limited to 125 words. The council has also reviewed its committee sizes. Revised executive working groups are due to be launched in May 2024 linked to new portfolios. The council is considering a recent request for a community governance review which will be taken to the next governance working group before being considered at full council.

R3: Develop a future engagement plan with partners.

A draft partnership engagement strategy called "We are better together" has been developed, is being reviewed with partners and which will be appended to the council's new communications strategy. This includes a key stakeholder map setting out who are the key partners, who are the primary contacts and how those

relationships are managed and developed. The partnership engagement strategy includes businesses, public sector, voluntary/charity, local authority partners as well as key outside bodies setting out how the council proactively develops these key relationships. The stakeholder map was developed by the new communications manager who joined the organisation shortly after the peer team were originally on site in July. The council has also held a number of partnership events with a range of partners.

R4: Enhance the role of Scrutiny – use it to its full potential, actively engaging members.

There has been good progress in strengthening scrutiny's role. The peer team were particularly impressed how the council has engaged representatives from both Thames Water and Royal Mail to present at the committee following service failures from their organisations. Members have also received scrutiny training from the Centre for Governance and Scrutiny.

The council has also made a conscious decision to engage the public and introduced public questions at the start of scrutiny committee meetings. Pre-scrutiny was also used at the performance and finance scrutiny committee to scrutinise the new council's strategy and annual plan. The council's new car parking strategy also went to pre-scrutiny resulting in a number of amendments to the final strategy, and consequently the strategy was not called in.

R5: Create a continuous member development plan, informed by members, to support them in their roles.

Member development is an area that has not progressed as far as hoped. While a member induction programme was delivered post the May 2023 local election and a number of further member training opportunities have taken place, there is still a need to develop a member development plan. Member training this year, has included scrutiny, personal safety, and planning committee training. Members also took up District Councils Network (DCN) and LGA training. The peer team heard that the chairs and vice chairs would benefit from training in how to engage less experienced members to participate more in meetings as well as asking key questions, for the benefit of all members so that information is shared in committee

meetings. The LGA offers a charring skills course which can be delivered at Surrey Heath as part of the council's member development programme.

A survey has been circulated to all members developed to identify training needs for the 2024/25 municipal year. A culture of continuous learning and development needs to be adopted which regularly reviews and evaluates member training as part of the council's municipal calendar. There is a need for a more joined up approach so that training offered to members can be captured and logged across the organisation, such as climate change and equality training which was delivered to members by individual services in the last year, in addition to the corporate training offered. Currently there is no matrix of what training members have received. A digital solution to manage this would be helpful.

The council can also broaden its use of the LGA's wide range of member training, which is an opportunity for members to meet councillors from other authorities across the country and broaden their learning and networks.

R6: Ensure Climate Net-Zero is integrated into the council's culture and appropriately resourced.

"Drive to Net Zero" is a key priority in the new approved council strategy and a climate change working group meets regularly to review progress in the climate change action plan. Actions achieved include progress with solar panels on council assets and successfully securing grant funding for climate change initiatives. Staff and members have received climate change training to raise awareness about how the council can make a difference. Climate change is also part of the council's staff induction programme. Climate change actions have been built into the transformation projects focusing on council and community property with a push to decarbonise council buildings and to review its leased assets. Climate change is also being incorporated into procurement plans for the new waste and grounds maintenance contract. Additional staffing to prioritise climate change is being sourced through a national management trainee placement. The council is also looking at what scope there is to collaborate with neighbouring authorities around net zero.

In terms of current performance Surrey Heath is in the top 8 in England for highest percentage of recycling rates.

R7: Develop an Equalities Diversity and Inclusion (EDI) training plan including all protected characteristics.

There has been good progress on the council's work around EDI. The council approved a four-year Achieving Equity Strategy in January 2024 which sets out how the council will meet the requirements of the Equality Act 2010, focusing on equity. The council is forming a baseline assessment using the Equality Framework for Local Government to help develop an action plan. Training has been offered to staff and members. The peer team were particularly impressed with the EDI training that focuses on women's development through a range of programmes including women in leadership apprenticeships, a women's development programme via the council's Surrey Learn Programme, a suite of menopause training and awareness sessions, an internal women's group, mentoring opportunities and an all-staff event including female executive members to celebrate international women's day. Aging well and dementia training has also been undertaken. The peer team were also pleased to hear that the council is planning a neurodiversity event later in the year.

R8: Make improvements to the working environment at Surrey Heath House.

The council were considering options to move out of Surrey Heath House when the peer team originally visited in July. However, staff told the peer team that there was still a need to invest in the current office space, particular in making it more suitable for flexible working. Since the peer team visited the council a number of cost-effective improvements have been made to the council building following consultation with staff, pending clarity on the future location of council facilities.

This has involved removing redundant furniture to free up space in the office and introducing lockers for staff to support flexible working. Senior managers' offices, including the leader's and chief executive's office are available for in-person and 'Teams' calls when not in use. The council has opened a 'quiet room' for "privacy, contemplation and reflection," including a private space for breastfeeding or prayer. There are also plans to introduce pre-owned acoustic meeting pod spaces. Face-to-face networking events, such as the staff Christmas event and the all managers' meeting, encourage teams to collaborate and staff to socialise. Plans are underway to hang Surrey Heath owned art from the council's archive within the building and to redecorate the rest/lunch area.

Costed options for relocation of the council from Surrey Heath House continue to be reviewed through the Property & Regeneration Working Group. It is important that the council continues to appropriately invest in improvements to maintain a productive working environment which considers the health and wellbeing of staff at Surrey Heath House, while it considers options for transitioning to new council offices.

A regular staff temperature check would help to quickly gauge how staff are feeling about the new office environment as well as the council monitoring desk occupancy. While the results from the 2023 staff survey were positive, it is important to continually evaluate the views of staff as the council embarks on its transformation journey, and track staff morale which will be key to the success of the programme and demonstrate the organisation is always listening. A temperature check can run alongside the council's existing staff engagement activity.

R9: Develop a digital vision that reflects engagement with staff and residents.

A new draft digital vision has been developed with the aim of making incremental step changes. Discussions have taken place with the staff representative group and corporate management team which build on improvements the council have already made in this area. The vision's aim is to use digital technology to meet the needs of both staff and residents and the intention is to integrate it with the customer service strategy. Engagement with staff to support document storage has already taken place. The new digital vision has been agreed by senior officers and is in the process of implementation. Digital First is also a key project in the transformation programme.

4. Final thoughts and next steps

The LGA would like to thank Surrey Heath for undertaking an LGA CPC Progress Review.

We appreciate that senior managerial and political leadership will want to reflect on these findings and suggestions in order to determine how the organisation wishes to take things forward.

Under the umbrella of LGA sector-led improvement, there is an on-going offer of support to councils. The majority of our offers are free of charge to councils to

support local authorities on their improvement journey. Links to our offers are highlighted in blue.

Transformation

The LGA has developed a wide-ranging transformation offer:

Transformation Capability Framework - Our Transformation Capability Framework establishes what works well and 'what good looks like' in relation to transformation activity across different types of councils. There are ten strategic transformation capabilities. Four are essential for all types of transformation:

- Leadership and management
- Governance and control
- Change management
- Data intelligence

Six are specific to the type of transformation being undertaken:

- Finance
- Service design
- Business analysis
- Digital and technology
- Procurement and commissioning
- Organisational HR change

<https://www.local.gov.uk/our-support/transformation/transformation-capability-framework>

Transformation peers provide councils with access to support from skilled and experienced officers and elected members with relevant transformation expertise.

<https://www.local.gov.uk/our-support/transformation/transformation-peer-support-programme>

Transformation Innovation Exchange (TIEx): The Transformation and Innovation Exchange (TIEx) self-assessment tool provides a comprehensive overview of your organisation's performance across the characteristics of a high functioning local

authority, identifying areas to focus and to prioritise, with an extensive library of tailored resources to support you at every stage of your transformation journey.

<https://www.local.gov.uk/our-support/transformation/transformation-innovation-exchange-tiex>

Transformation Case Studies: Innovation in local government is about improving the lives of the people in our communities. Browse through our case studies to see the many innovative programmes councils are involved in.

https://www.local.gov.uk/case-studies?keys=Transformation&from=&to=&sort_by=created&sort_order=DESC

The LGA also provides:

Productivity Plan panels, bringing together groups of local authorities to share learning and best practice relating to common themes and topics arising from their Productivity Plans.

Member Peer training programmes, providing specialised training to build the expertise and capability within local government and support delivery of successful transformation programmes.

Transformation Partners, a new pilot programme building on the Transformation Peers programme whereby councils with particular transformation challenges are matched with officers/councillors from local authorities with specific expertise.

Communicating during change

<https://www.local.gov.uk/our-support/guidance-and-resources/comms-hub-communications-support/internal-communications-4>

For more details about all of our transformation offers visit:

<https://www.local.gov.uk/our-support/transformation>

Member support

'Leadership Essentials' is a series of series of programmes and workshops' designed as themed learning opportunities for councillors. Each event concentrates on a specific portfolio or service area or a specific theme

- Audit committees:
- Being an effective cabinet member:
- Enhanced Communication and media: political leadership masterclass
- Cultural services:
- Digitalisation:
- Effective scrutiny:
- Finance:
- Finance for non-finance cabinet members
- Financial governance:
- Getting your message across
- Leading healthier places
- Licensing:
- Planning Committee
- Prevent and counter-extremism: Leadership essentials.
- Risk management: political leadership masterclass
- Sport and physical activity

For more details visit: <https://www.local.gov.uk/our-support/highlighting-political-leadership/leadership-essentials>

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Procurement

Effective procurement, underpinned by commissioning, has never been more important for local government. Increasing demand for public services and decreasing resources are driving councils to improve productivity and efficiency to deliver better outcomes for local people. Details about our procurement offer can be found here:

<https://www.local.gov.uk/our-support/financial-resilience-and-economic-recovery/procurement>

National Procurement Strategy for Local Government: The LGA has developed a National Procurement Strategy for Local Government (2022) Strategy and Toolkit. Details can be found below:

Strategy: <https://www.local.gov.uk/publications/national-procurement-strategy-local-government-england-2022#making-it-happen>

Toolkit: <https://www.local.gov.uk/publications/national-procurement-strategy-local-government-england-2022-toolkit>

Governance

The LGA offers a Governance Peer Challenge Programme which dovetails closely with our Corporate Peer Challenge Programme. There is an opportunity to review the council's progress around governance at a later date. Details can be found here: <https://www.local.gov.uk/our-support/council-assurance-and-peer-challenge/peerchallenges-we-offer/governance-peer-challenge>

Organisational Design

Details of our organisational design support can be found here:

<https://www.local.gov.uk/our-support/workforce-and-hr-support/local-government-workforce/creating-effective-organisational>


Digital

The Local Government Digitalisation Almanac

The LGA has launched a new Local Government Digitalisation Almanac for councillors and officers, containing simple steps, practical examples, and resources to support councils on their digitalisation journeys.

<https://www.local.gov.uk/our-support/cyber-digital-and-technology/almanac>

Equality, Diversity, and Inclusion:



Equalities hub: The LGA's Equalities Hub provides officers and members with a range of tools and resources to support councils – spanning topics including workforce, health, community cohesion, cost of living and more. We also provide councils with support to meet their obligations as set out in the Equality Act 2010.

<https://www.local.gov.uk/our-support/equalities-hub>

Climate Change

Alongside the majority of councils, the LGA has declared a climate emergency. We offer a wide range of resources to help councils address environmental sustainability.

<https://www.local.gov.uk/our-support/sustainability-hub>

Being a peer

The LGA offers local government a range of peer-supported improvement programmes, including Peer Challenge and Councillor Mentoring and we welcome interest from both senior officers and councillors in becoming peers.

<https://www.local.gov.uk/our-support/council-assurance-and-peer-challenge/become-peer>

The LGA is well placed to provide additional support, advice, and guidance on a number of the areas identified for development and improvement and we would be happy to discuss this.

Will Brooks (Principal Adviser) and Sophie Poole (Senior Regional Advisor) are the main points of contact between the authority and the Local Government Association (LGA). Their email addresses are William.brooks@local.gov.uk and sophie.poole@local.gov.uk